

## Mumbai, Delhi, Bengaluru among top 6 cities in global rental index

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**Surge in rentals across key business districts reinstated the growing prominence of Indian metros including Mumbai, Bengaluru and New Delhi on the global map of high-rent yielding commercial spaces.**

Healthy surge in rentals across key business districts reinstated the growing prominence of Indian metros including Mumbai, Bengaluru and New Delhi on the global map of high-rent yielding commercial spaces during April-June 2017, says Knight Frank in a recent study.

According to the report, the global price index that compares rental values of prime office spaces across 20 international markets rose by 1.2 percent in the quarter.

"Prime business districts in the three Indian metros have seen robust rental growth courtesy strong demand and limited vacancies. This scenario is expected to remain for a year owing to a supply crunch of new office space," Knight Frank India Chief Economist and National Director-Research Samantak Das said.

As per the report, sustained interest from the IT/ITes sector pushed rents in Bengaluru's business district by four percent- the highest among other key CBDs in India.

Other established business districts such as the Connaught Place in Delhi also saw a 2.2 percent climb in rentals, courtesy a lull in supply of new office spaces and dwindling vacancies, it said.

The Bandra Kurla Complex in Mumbai, recorded a quarter-on-quarter increase of 2 percent in rents in April-June 2017. Vacancy levels here, however, got a boost with a fresh office supply of around 530,000 sqft in the last quarter.

"Despite the global pressures on the IT/ITes sector triggered by automation and limitation in demand for business the technology-driven Bengaluru market has performed well and it expected to do even better.

But prime office assets in Mumbai and Delhi are likely to see a slower growth trajectory having already scaled high-rental values," he added. According to it, Phnom Penh in Cambodia topped the chart this quarter with 4.2 percent increase, Bangkok (Thailand) the erstwhile topper saw its first decline this quarter in close to three years.

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